

Fund Summary

OnePath Diversified Bond Index Trust

OneAnswer Frontier Investment Portfolio

31 March 2026

Fund details

Investment manager	OnePath Funds Management Limited
Fund code	MMF1571AU
Asset type	Bonds - Global / Australia
Region	Global
Fund size	\$14.93 million as at 31 Mar 2026
Commencement date	15 Nov 2010
Distributions	Quarterly

Investment objective

The fund seeks to track the return of a tailored diversified index representing a 30% allocation to the Bloomberg AusBond Composite 0+ Yr Index and a 70% allocation to the Bloomberg Barclays Global Aggregate Index (hedged to Australian dollars), before taking into account fees, expenses and tax.

Investment strategy

The fund invests in Australian and international bonds by holding units in a range of underlying fund's and/or direct assets. The fund seeks to reduce credit risk in the portfolio by selecting only bonds with a sufficiently high credit rating and by diversifying the fund's holding across issuers. Futures may be used to gain market exposure without investing directly in fixed interest securities.

Minimum time horizon

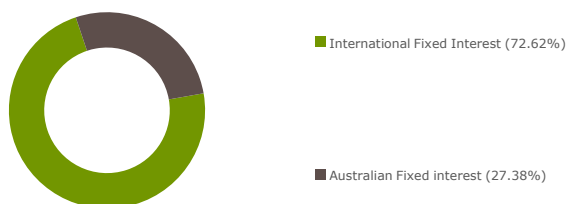
3 years

Standard Risk Measure*

The Standard Risk Measure (SRM) is based on industry guidance to allow investors to compare funds that are expected to deliver a similar number of negative annual returns over any 20 year period. The SRM for this fund is shown below:



Asset allocation



* For further information on Standard Risk Measures and the calculation methodology used, go to onepath.com.au/personal/performance/product-updates.aspx

† Returns quoted use the unit price which is calculated using the net asset values for the relevant month end. The prices shown may differ from the actual unit price if an investor is applying for or redeeming an investment. Actual unit prices will be confirmed following any transaction on an investor's investment. Please note that all returns are after the deduction of management fees and expenses and assumes all distributions are re-invested. Where applicable, management fees have been deducted at the highest entry fee option rate. No allowance has been made for entry or exit fees.

‡ Benchmark (MorningstarAus BBG AuBd Cmp/BCGA TR HAUD) returns should be used for indicative purposes only. These returns may not be a true indication of this Fund's performance against its investment objective.

Fund performance

As at 31 Mar 2026

	1 mth	3 mth	1 yr	3 yr	5 yr	7 yr	10 yr
	%	%	%	% pa	% pa	% pa	% pa
Total Return †	-1.75	-0.40	1.99	2.41	-0.33	0.44	1.15
Benchmark ‡	-1.63	-0.30	2.24	2.57	0.02	0.83	1.68
Excess Return	-0.12	-0.10	-0.25	-0.16	-0.35	-0.39	-0.53
Distribution	1.34	1.35	1.64	0.68	3.27	3.17	3.55
Growth	-3.09	-1.75	0.35	1.73	-3.60	-2.73	-2.40

Calendar year

returns	YTD	2025	2024	2023	2022
Total Return †	-0.40	2.20	5.10	-11.60	-2.49
Benchmark ‡	-0.30	3.80	2.59	5.19	-10.99
Excess Return	-0.10	-1.60	2.51	-16.79	8.50

Top 10 holdings

Security	% of fund
UNITED STATES OF AMERICA	15.39%
AUSTRALIA (COMMONWEALTH OF)	13.86%
CHINA PEOPLES REPUBLIC OF (GOVERNMENT)	8.42%
JAPAN (GOVERNMENT OF)	6.00%
NEW SOUTH WALES STATE OF	2.95%
VICTORIA (STATE OF)	2.85%
FRANCE (REPUBLIC OF)	2.76%
GERMANY (FEDERAL REPUBLIC OF)	2.41%
UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN I	2.36%
QUEENSLAND (STATE OF)	2.27%
Total Top 10	59.27%

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Market and portfolio review

The Fed held rates steady in March but explicitly acknowledged that developments in the Middle East had heightened uncertainty and raised inflation risks. Policymakers appear inclined to prioritize inflation vigilance over labor market softness. February payrolls unexpectedly fell by -92,000 compared to consensus expectations for a 52,000 increase. March composite PMI slipped to an 11-month low, and consumer sentiment weakened on higher year-ahead inflation expectations.

Europe and Asia looked more exposed given their heavier reliance on imported energy and the greater sensitivity of local growth models to a sustained oil shock. European sovereign bond markets increasingly differentiated between fiscal positions as yields rose and spreads widened unevenly, with investors more alert to the implications of renewed inflation pressure. Markets also began to price a non-trivial probability of future ECB tightening.

Future investment strategy

As of March 2026, the global fixed income market faces a cautiously optimistic environment shaped by moderating inflation and steady, though slower, economic growth. Central banks in major economies like the U.S. and Eurozone have largely paused rate hikes, maintaining policy rates near neutral levels while signaling a data-driven approach to future adjustments. This has led to relatively stable government bond yields, with U.S. 10-year Treasuries trading between 3.5% and 4.0%, and European yields remaining subdued amid cautious ECB policy and ongoing geopolitical uncertainties.

Credit markets continue to offer selective opportunities. Investment grade bonds benefit from low default rates and stable corporate earnings, though spreads are tighter, limiting upside potential. High yield and emerging market debt provide attractive yields but require careful credit and country selection due to lingering economic and geopolitical risks. Securitized debt remains a reliable source of income with solid underlying fundamentals.

Currency volatility and geopolitical tensions remain key risks, potentially driving safe-haven demand and market fluctuations. Against this backdrop, a balanced fixed income strategy emphasizing quality, diversification, and active management is advisable. Investors should maintain a neutral to slightly underweight duration stance to manage interest rate risk, while selectively allocating to credit sectors and regions that offer favorable risk-adjusted returns. Overall, fixed income in 2026 is positioned for moderate returns with a focus on capital preservation amid evolving global dynamics.

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This information is current as at 31 Mar 2026 with the commentary current for the most recent quarter end (eg. March, June, Sept or Dec) however in some cases may be applicable for the preceding month or quarter end. Updated information will be available free of charge by contact Client Services on 133 665. The information is of a general nature and does not take into account your personal needs, financial circumstances or objectives. Before acting on this information, you should consider the appropriateness of the information, having regard to your needs, financial circumstances and objectives. Past performance is not indicative of future performance. The future value of investments may rise and fall with changes in the market. You should read the relevant PDS available at onepath.com.au and consider whether that particular product is right for you before making a decision to acquire or continue to hold the product.